C.L. Copy

MARCH 1960

MONTHLY REVIEW

AN INDEPENDENT SOCIALIST MAGAZINE

IT CAN HAPPEN HERE

THE EDITORS

VOL. 11

11

AFRICA 1960: WHAT MANNER OF FREEDOM?

PETER WEISS

The Revision of Chinese Statistics

CHARLES BETTELHEIM

EDITORS . . . LEO HUBERMAN . . . PAUL M. SWEEZY

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CONTENTS

VOLUME ELEVEN NUMBER ELEVEN MARCH 1960

REVIEW OF THE MONTH: It Can Happen Here 385
AFRICA 1960: WHAT MANNER OF FREEDOM? by Peter Weiss 394
THE REVISION OF CHINESE STATISTICS by Charles Bettelheim 398
A NOTE ON JOHN FOSTER DULLES by the Editors 407
WORLD EVENTS by Scott Nearing 411

MONTHLY REVIEW: Published monthly except July and August when bimonthly, and copyright, ©1960, by Monthly Review, Inc. Second class postage paid at New York, N. Y.

EDITORIAL AND BUSINESS: 333 Sixth Avenue, New York 14, New York.
Telephone: CHelsea 2-8403

MAILING ADDRESS: 66 Barrow Street, New York 14, New York.
Address ALL communications to 66 Barrow Street.

NEWSSTAND DISTRIBUTOR: B. De Boer, 102 Beverly Road, Bloomfield, N. J.

SUBSCRIPTION PRICE: One year—$4; two years—$7.
By 1st class mail—United States $6; everywhere else $7.
By air mail—No. America $8; So. America $13; Europe $17; Asia $24.

EDITORS: Leo Huberman and Paul M. Sweezy.

NOTES FROM THE EDITORS

We have been asked, with increasing frequency lately, when we are going to have something to say about the Cuban Revolution. It's a good question. Certainly no one who reads the Review of the Month in this issue will be in any doubt about our estimate of the importance of the subject. Up to now, however, we have hesitated to attempt an analysis of events and prospects in Cuba because we felt that there were (and are) some matters on which we lack the necessary information. In considering ways and means of remedying this ignorance, we devised a project which we think you will agree is a good one. We are both going to Cuba—for a period of about three weeks—and we are going to try to find out for ourselves what we think we need to know. When we get back, we are going to combine what we find out with information gathered from printed sources into a short book. This book will be issued in two forms—in an MR cover as the special double July-August issue, and as a paperback for general sale.

We have never tried anything like this before. In fact, this is the first time since MR was founded nearly eleven years ago that we feel things are so well under control that we can both be away from the New York area at the same time and for a considerable period. And the idea of giving

(continued on inside back cover)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

IT CAN HAPPEN HERE

Americans have been watching events in Algeria in somewhat the manner of an audience watching a play. The drama is fascinating, and it is easy to become emotionally involved, to identify with some of the characters and to despise others. But at the same time the element of detachment is there—a feeling that what is happening on the stage is after all far removed from the actual experience of the viewer. France, we tell ourselves, is not the United States, and France's troubles are not and never could be ours.

Are we really so sure that it can't happen here? Let us put aside our preconceptions and look a little more closely.

De Gaulle's victory over the French colonials in Algeria unfortunately solved nothing. It was certainly a good thing that the uprising failed: had the Army gone over to the insurgents, the result would have been a nasty form of fascism or bloody civil war—or very possibly both, as happened in Spain two decades ago. But neither threat has been scotched; and so far as we can judge, there is very little hope that De Gaulle's policies will lead to any improvement either in the short or in the long run. The gloomy truth, indeed, would seem to be that the situation after the abortive insurrection is worse than it was before.

To understand why this is so, it is necessary to analyze De Gaulle's policies and see what would be necessary for them to succeed. His political pronouncements are, of course, studiedly ambiguous, and it is never possible to be certain of their meaning. Nevertheless, if we interpret them in the light of his actions over a considerable period of time, some conclusions seem to emerge with reasonable clarity. He has never believed in the possibility of outright suppression of the Algerian independence movement and hence has refused to espouse the colonials' policy of complete integration with France. On the other hand, he has consistently refused to negotiate with the Algerian National Liberation Front (FLN) on anything but a purely military cease-fire, thus denying the political legitimacy of the Algerian independence movement. Between these two alternatives, the one impossible the other unacceptable, he has tried to discover or open up a "third way" which would lead to an Algeria

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that would be on the one hand autonomous and on the other *voluntarily* tied to and under the tutelage of the metropolis.

Now it is evident, and De Gaulle is certainly aware of it, that for this "third way" to succeed, there must be a "third force" in Algeria between the colonials and the FLN, which would obviously have to be made up primarily of moderates among the Moslem population. No doubt such moderates do exist—and there are even liberals among the Europeans in Algeria who would favor the "third way"—but so far they have shown no signs whatever of being able to constitute themselves as a genuine political force. Will De Gaulle's victory over the insurrection of the colonials change this situation?

De Gaulle may perhaps think so. The argument would be that he has shown his willingness to stand up against the colonials and that this ought to encourage the Moslem moderates to stand up against the FLN. But will it? We may leave aside the question as to whether there really *are* enough moderates to make the "third way" work, provided they were able to constitute themselves a political force. No matter how many there are, now or potentially in the future, it is hard to see that there is any chance of their emerging as an effective political force. The reason is simply that in order to put down the insurrection, De Gaulle either had to, or thought he had to, make a deal with the Army which virtually guarantees the Army a decisive role in the implementation of French policy in Algeria. That such a deal was made with the commanders in Algeria—through General Ely, the Chief of Staff—is generally accepted by the French press, and its terms can easily be inferred from General De Gaulle's speech, in which he repeated earlier assurances that he would not negotiate with the FLN and stated that the Army would have the job of guaranteeing "the complete and sincere freedom" of eventual Algerian elections. (One never ceases to be amazed at what language can be made to mean!) Needless to say, the Moslem population has had plenty of experience of Army supervision of elections and knows perfectly well that it would be bound to turn the whole process of self-determination into a farce. Under these circumstances, the moderates are as unlikely to opt for a "third way" as the FLN is to lay down its arms.

De Gaulle may, of course, think that he can transform the Army into a reliable instrument of his own policy through reassigning some of the most compromised officers, kicking others upstairs, and similar measures. But it is hard to believe that anything serious or lasting

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

can be accomplished in this way. In this connection, the testimony of an experienced American journalist, Edward Behr, North African correspondent for *Time* and *Life,* is of particular interest (he is writing in a magazine for fellow journalists, not in *Time* or *Life*):

> It is clear . . . that the regular cadres of the French Army have no intention of willingly surrendering their Algerian vocation. As early as 1842, Marshal Bugeaud, the conqueror of Algeria, had written: "the army is no less necessary to develop than to preserve our Algerian heritage. It is and will remain for a very long time the only serious task force capable of transforming the country, of opening it up to African and French commercial channels." After a little more than 100 years of neglect, that is still the aim of the French Army today. . . . Every French officer I have met in Algeria since the De Gaulle "self determination" offer [of September 16th] has told me that he regards it as unthinkable that the FLN should be allowed to campaign for independence by political means, and there is considerable apprehension, among French liberals, that the Army will by police methods and intimidation stage the same kind of "managed answer" to any eventual referendum as they did in the 1958 referendum and subsequent elections. In Algeria, unlike Tunisia—where French troops and Tunisian armed nationalists collaborated in keeping order in 1955—the French Army cannot remain neutral: it has by now got so heavily and emotionally involved in Algeria that it would almost certainly oppose, directly or by stealth, any move toward peace which would not be the unconditional surrender of the FLN. And the FLN, like the well organized guerilla movement that it is, can keep going indefinitely. (*Nieman Reports,* January 1960.)

If this estimate is correct—and we know of no evidence which would tend to refute it—it seems evident that no amount of personnel reshuffling is going to transform the Army into an instrument of the policy of self-determination in Algeria. For that, something far more drastic would be required—nothing less, in fact, than a thorough purge of the French officer corps and a radical democratization of the whole French military system. This could conceivably be accomplished by a government of the Left—though none has ever yet had the courage to try—but it is obviously no part of the desire or intention of the Gaullist regime which, though not fascist in character, is nevertheless profoundly conservative and antidemocratic. The truth is that De Gaulle, far from allying himself with the Left in a struggle to reform the Army, has already begun to move *against* the Left as a part of his deal with the Army. The situation is all too

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

accurately summed up by Claude Bourdet, writing in *France Observateur* shortly after the collapse of the insurrection (February 4):

> Order has been re-established. *At the price of peace,* in the precise and complete formula of Alain Savary. This price included, naturally, not only the prosecution of the horrible Algerian war, the end of which has now disappeared over the horizon, but also an intensification of internal repression which is an inevitable accompaniment of the choice that has been made. Seizures of left-wing papers, the arrest of two Moslem lawyers—these give us a foretaste of what is to come. The special powers voted by Parliament will perhaps be used against the rightist plotters—if there is still any need for them for that purpose. But they will almost as surely be used against us: both for the sake of equilibrium and because that was part of the compromise with the Army.

De Gaulle won a victory over the colonial "ultras," but the result has been to enhance, not to reduce, the power of the Army in the determination and implementation of French policy. It is hard to avoid the conclusion that this shift in the balance of power in favor of the Army extinguishes whatever hope there may have been for De Gaulle's "third way." Put to the crucial test, French imperialism has shown itself incapable of adjusting to the realities of the 20th century. The outlook now, in approximate chronological order, would seem to be as follows: (1) intensification of the Algerian War; (2) its gradual "internationalization" as the FLN asks for and receives increasing assistance from other African countries and indeed from anticolonialists the world over; and (3) eventual defeat for France, probably with devastating consequences for France's internal social structure and international position.

We shall doubtless be told that this prognosis is much too gloomy, that measures already taken by the De Gaulle regime betoken a will to enforce the policy of self determination, that newspaper correspondents in North Africa report a changed attitude on the part of Algerian Moslems and an eagerness to negotiate on the part of the FLN, and so on. Those who form their political judgments on the basis of the latest headlines—which in this country, unfortunately, means most everybody—will be much encouraged and will tend to dismiss our forebodings as empty and unfounded. There is no need to argue the point since events will provide the answer soon enough. It is only necessary to remind readers that the resolution of every political crisis gives rise to exaggerated hopes and illusions. There is

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

no reason to suppose that it will be different this time, and in the meantime it is better to base conclusions on an analysis of underlying factors and forces, which unfortunately do not change as fast as political moods and in this particular case happen to have taken a turn for the worse.

Ask an American, almost any American, whether the kind of thing that has been happening in France could also happen here and he will almost certainly tell you that it couldn't. Our colonies are relatively insignificant, hence we have no massive colonial vested interests to liquidate (or be liquidated). Our military establishment, though vastly larger and more important than in earlier periods of American history, has no tradition of political independence and is very well satisfied with the kind of foreign and domestic policies advocated (and actually pursued) by both political parties—policies which lend unprecedented prestige to the military and at the same time put close to ten percent of the gross national product at its disposal. In other words, our situation is entirely different from the French: there are no serious splits over policy in the ruling class and the military is quite happy. Why should we worry about getting into the kind of jam the French are in?

Unfortunately, there are very good reasons. The essence of the French problem, as indicated above, is failure to adapt to the realities of the 20th century. To do so would involve bucking and eventually liquidating well entrenched and powerful vested interests of an economic and military nature. Those elements in the French ruling class which have a reasonably clear understanding of the situation (e.g. Mendès-France) have lacked the strength to carry through a program based on their understanding, and De Gaulle's efforts to *compromise* with the forces of the 20th century are now being rejected by the threatened economic and military vested interests on the grounds (probably correct) that compromise can only be the first step to surrender. All the while, the French position in the world deteriorates and the contradictions within French society intensify and multiply.

Now, it is not only France that has to adapt to the realities of the 20th century. Every country does, including the United States, though in only a few does it center around the winding up of a colonial empire. But the question of the *form* the problem takes should not be overemphasized. If we concentrate on the substance of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the matter we find that there are plenty of similarities between apparently diverse situations, and we also find that one country can often learn much from seemingly unrelated experiences of others.

Adopting this angle of vision, we can see that the United States is traveling the same road as France but has not got so far along it. Our ruling class has made no progress towards adapting to the realities of the 20th century, and on the whole has shown rather less understanding of what they are than the French ruling class. The big difference is that we have not yet reached the point where crucial choices can no longer be avoided or postponed. When we do, we may find that we have differences of the same kind as have developed in France, and we may find that our military is capable of playing just as powerful and just as evil a role.

The two dominant realities of the 20th century, of course, are the advance of socialism and the liquidation of empire, closely related processes but very far from being merely two sides of the same coin. The essence of United States world policy has been to check and eventually turn back both processes. Hence the refusal to accept the status quo in Eastern Europe, the denial of recognition to Peking, the rejection of disarmament; hence also the cultivation of a worldwide network of subsidized client regimes in underdeveloped countries, the proliferation of military alliances, and so on. These policies have been fostered by and in turn have benefited economic and military interests which by now have sunk deep roots and grown to enormous proportions. The only trouble with these policies, from the point of view of their sponsors, is that they have been failing—dismally and abjectly—and sooner or later this failure will confront this country with the necessity to make choices as difficult and unpalatable as those that France has had to make, and still does have to make, in the process of losing her colonial empire.

These choices will fall in two areas: the competition of the systems, and the liberation (economic even more than political) of the underdeveloped countries. Naturally no one can foretell the form which these choices will take, but essentially they will all revolve around the central issue whether capitalism in the United States can expect to live a longer and more profitable life through clinging to the patently unsuccessful policies of cold war, arms race, and empire, or through adopting and pushing much further the Roosevelt policies of New Deal, welfare state, and good neighbor. Up to now, substantially the whole United States ruling class, backed

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

either actively or passively by the great majority of the American people, have opted for the first alternative. The question is how much longer this can go on, how much failure a world policy can survive.

With respect to the cold war and the arms race, the answer, unhappily, seems to be that it can go on quite a while longer and survive a good deal more failure. The idea of "negotiating from strength"—i.e., building up superior military power under cover of which Eastern Europe and China can be "liberated"—is by no means dead,* though no one would deny that it is farther from realization today than ever before. Factually, the Soviet bloc is already militarily superior to the United States-led alliance, and there can be no doubt—at least for anyone who understands that it takes *comprehensive* economic planning to get the most out of modern science and technology—that this margin of superiority will steadily increase. Nevertheless, the dream of "catching up" now dominates American political and military thinking and may continue to do so for years to come. Until the *all-around* superiority of socialism to capitalism has been decisively demonstrated for all to see, it will be possible for Americans to imagine that the so-called "missile gap" is due to some sort of rectifiable errors; and the illusion of a great untapped reservoir of military strength in Germany and Japan will persist until those countries finally decide to act in their own interest by contracting out of the cold war. All this will take time, and in the meanwhile the necessity to make painful choices can be postponed.

It is very doubtful if the same can be said of the necessity to make choices in the area referred to above as the liberation of the

* As the case of Willi Schlamm so clearly reveals. A German Communist in the pre-Hitler period, Schlamm came to the United States in 1938 and served as an editor of *Fortune* (1941-1950) and assistant to Henry Luce (1944-1950). Early last year he published a book in this country entitled *Germany and the East-West Crisis* which appeared in a German edition a few months ago that has already sold nearly 100,000 copies. (Sydney Gruson in the *New York Times,* February 12.) According to Gruson, Schlamm is now called "the most disputed American in Germany." He "has been stumping the country for six months preaching an anti-Communist doctrine pegged to the 'liberation' of the Communist-ruled countries of Europe. Mr. Schlamm's German critics say that he advocates preventive war. He denies this, contending that the Soviet Union would not fight and therefore Western threats of belligerence would achieve their aim without the shooting." It would be more than naive to suppose that Schlamm is a mere crank who is not to be taken seriously. On the contrary, there is every reason to believe that he is saying out loud what more powerful, and hence more sinister, figures are thinking.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

underdeveloped countries. Here, of course, the pace of events is fantastic and unprecedented, especially in Africa. But it is in Latin America, not in Africa, that a crisis of American policy is rapidly approaching. It is important not only to recognize this but also to know the reasons for it. The emerging nations of Africa are for the most part former colonies with economies that are still largely primitive and precapitalist in structure. They badly need foreign assistance, and even a little may go a (relatively) long way. Under these circumstances the task of American policymakers, now and for some time to come, is quite obvious. By taking advantage of the traditional anti-colonialism of the United States (which is not to be confused with anti-imperialism), and by a judicious use of subsidies, Washington can hope to "capture" the dominant groups in the new African countries and thus add them to its global collection of clients. How much success this policy may achieve is difficult to estimate, especially because of the complicating factor of racism in the United States, but that doesn't mean that it won't be tried or that it won't have the solid backing of the ruling class while it is being tried. No painful choices in the offing here.

Latin America, however, is an entirely different kettle of fish. The countries of that region are economically much more advanced than the new nations of Africa; they threw off the colonial yoke well over a century ago; above all, they have been clients of the United States for a long time and know that this status, far from providing a solution to their most urgent economic and social problems, actually prevents them from working out their own solutions. *Unlike Africa, Latin America has reached a stage where further progress can be achieved only through a far-reaching social revolution, one of the chief aims of which must be a radical redefinition of the region's relations with the United States.* This revolution has been smouldering for decades—at least since the downfall of the Porfirio Diaz regime in Mexico (1911)—and there have been occasional flare-ups since, not only in Mexico but also in Bolivia and Guatemala and to a lesser extent in other countries. Now, with the victory and consolidation of Castro in Cuba, the Latin American Revolution has taken a giant stride forward and entered a phase which may well decide its course for a long time to come.

This is not the occasion to attempt an analysis of either the Cuban Revolution or the larger Latin American Revolution of which it is a part. These are subjects to which we expect to devote increas-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ing attention in the future. For the present it is enough to point out that Cuba confronts the United States with problems which promise to be hardly less important and difficult for the United States than the Algerian problem has been for France.

Should the United States adopt a policy of hands off while Cuba expropriates American capital and reorganizes her economy in ways that may injure a variety of additional vested interests? If we do adopt this policy, we can certainly win the respect, and probably eventually the friendship, of the Latin American peoples. But the Revolution will spread the more easily and rapidly, and powerful segments of the American ruling class will stand to lose literally billions of dollars. Or should the United States attempt to overthrow Castro as it did Arbenz in Guatemala? And if such an attempt should fail, as it quite likely would—since the old military machine, which played the role of catspaw in Guatemala, has been smashed in Cuba—should the next step be open military intervention? If Washington decides to take this road, it can no doubt occupy Cuba, or any other Latin American country—but at the price of acquiring its own "Algeria" in deadly earnest.

We do not pretend to know how these questions will be answered. There are wise heads in the ruling class who can see the issues reasonably clearly and are in favor of adopting a good neighbor policy, with all that it implies (eventually, we are convinced, domestically as well as internationally). But there are others, far more noisy and clamorous, who are already calling for intervention—to save Cuba from Communism, of course. So far, there has been little evidence of active concern on the part of the labor movement or other organizations which might be expected to reflect mass pressures. Both public opinion and government policy are still in the formative stage, and there is certainly no reason to assume that the sensible, democratic policy must necessarily lose out. But there is also no reason for complacency. In this matter, there is little doubt that the sympathies of the military are entirely with the powerful vested interests that are threatened by the Latin American Revolution; and if the decision should go against them, we may see the United States military intervening in politics in very much the same way that the Army has intervened in French politics.

It *can* happen here, and if we want to prevent it, the beginning of wisdom is to recognize the fact. (February 15, 1960)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

AFRICA 1960: WHAT MANNER OF FREEDOM?

BY PETER WEISS

TANGIERS, Feb. 6—This year is destined to go down in history as Africa Year. A fascinated and incredulous world watches as country after country throws off the shackles of colonialism and joins the Exalted Order of Free and Independent Nations. The catalogue of 1960 graduates and candidates is becoming so familiar that even an unfixed quiz contestant could rattle it off: Kamerun, Togo, Nigeria, Somalia. Now, wonder of wonders, the Belgian Congo. In addition, probably, the Federation of Mali (if its two components, Sudan and Senegal, can agree on French terms) and, not to be outdone by what it has called Mali's disloyal competition in the race for autonomy, Madagascar.

An impressive list, to be sure, and a heart-warming prospect for Western liberals, particularly those who have come rather late to the realization that a country is "ready for independence" when it has leaders who say that it is and not when it has achieved a minimum I.Q.—an Independence Quotient made up of x college graduates, y per capita income, and z familiarity with Anglo-American constitutional law.

But when the shackles are at last thrown off, when the black giant dear to the hearts of Sunday cartoonists bursts his chains, how freely does he move? How well does the lifeblood circulate in his veins? Some of the speeches made and resolutions adopted at the Second All-Africa Peoples' Conference, held in Tunis from January 25th to 31st, and at the Second Annual Meeting of the United Nations Economic Commission for Africa, held in Tangiers from January 26th to February 6th, provide interesting answers to these questions.

There was much talk, at both meetings, about "neo-colonialism." The term was used with a variety of meanings, but it referred, essentially, to three things: (1) The continuation or establishment of foreign economic enclaves, mostly in the fields of agriculture and

---

Peter Weiss is a student of African affairs who attended the conference in Tunis and the meeting in Tangiers.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

mining, on African soil; (2) the divisive consequences of "Eurafrica," i.e. of African participation in the French Community and the European Economic Community; (3) the use of foreign aid as an instrument of domination.

With respect to the first point, listen to the delegate to the Tunis Conference of the National Union of Popular Forces of Morocco, the party which last year replaced the Istiqlal as the most influential political group in the government of that North African country:

> It is obvious that the proclamation of independence, which is solely a political, if not juridical, fact, cannot change the fundamental structure of the formerly colonized country. Independence is the condition, the promise of liberation: it is not liberty itself.
>
> During the first three years of its independence, Morocco witnessed the perpetuation and, in some respects, the reinforcement of the characteristics of its economic dependence: Its foreign trade remained oriented toward the French market. Its currency remained a French currency in disguise. The greater part of its dynamic industrial sector still remained in the hands of French capitalism, which disposed of free transfer between Morocco and the Franc Zone. Its modern agriculture, which produces export crops, was still dominated by powerful French settlers.

The climax of the speaker's remarks was the announcement that, since his party had taken over, all this had changed. The thoroughness of the change, however, remains to be seen.

The second point about neo-colonialism was the most prominent at both conferences, because its political implications are the most obvious and African leaders are still better politicians than they are economists. Under the Treaty of Rome establishing the European Economic Community, the overseas dependencies of its six members became "associated countries." Most of these, of course, are located in Africa, and they constitute a sizeable share of the continent, namely, all of former French West and Equatorial Africa (with the exception of Guinea), Madagascar, French and Italian Somaliland, the Belgian Congo, and Ruanda-Urundi. In addition, two UN trust territories under French administration, Kamerun and Togo—the first of which became independent on January 1, 1960, while the second is to become independent next April 1—are "associated countries" because of their special relationship with France and are expected to remain so for the time being.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

On the face of it, association with the European Economic Community (EEC) is an attractive proposition. The associated countries are offered the prospect of preferential duty-free markets for their raw materials in the six European member countries, while being allowed to maintain tariffs on imports from these countries. Furthermore, the Treaty of Rome created a Development Fund for the associated territories, with a budget of $600 million for the first five years, to be spent primarily on health, education, and other programs not of a directly productive nature. This is a tidy sum, considering that grant aid for all of Africa, excluding Algeria, was less than $2 billion for the five-year period 1954-1958, while the population of the associated territories is less than 40 million out of the continent's total of 220 million.

The other African countries do not deny these immediate benefits, but they fear the divisive consequences of the "Eurafrica" scheme. Thus, before the establishment of EEC, its member countries bought about 50 percent of their cocoa from Ghana and other African countries not now associated with EEC, and, with the exception of Germany, they bought it duty-free. In a few years, a common external tariff of 9 percent will apply to all cocoa imports to EEC from non-associated countries, while imports from associated countries will be duty-free. No wonder Ghana, still a one-crop country, not only is worried about an immediate loss of business, but even more about the incentive to cocoa production in its neighbor, the Ivory Coast, and other Community-associated territories, which might easily upset the world price of cocoa and, consequently, Ghana's development plans.

This was the kind of talk one heard in the diplomatic atmosphere of the UN meeting at Tangiers. In Tunis, the language was rougher, and the emphasis was on the political price paid by African states for belonging to "the Community." (In Tunis, they meant the French Community, rather than the European Economic Community, but the principle is the same—continued association with Europe for economic advantage.) Ahmed Boumendjel, speaking for the Algerian rebels, reminded the delegates that last summer Mamadou Dia, Prime Minister of Senegal, had said, when asked how he could justify the continued presence of Senegalese troops as part of the French army fighting in Algeria: "The concept of the Community includes that of the common army. We must play the game."

Nor did the delegates at Tunis ignore the significance of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fact that none of the technically self-governing African countries belonging to the French Community have raised their voices in protest against France's pathetic bid for atomic glory in the Sahara, even though several of them, notably Mauritania, Niger, and Upper Volta, are closer to the proposed test site than any of the independent African countries which have condemned the project.

Finally, neo-colonialism is being discussed in Africa today in relation to a potential bloc larger than the French Community, larger even than the Common Market. Africans have noted, with apprehension, that when Mr. Dillon recently met in Paris with representatives of the "Inner Six" and the "Outer Seven," the only thing on which they could all agree was that they would endeavor to coordinate their aid to underdeveloped countries. One of the resolutions adopted, with several European abstentions, by the Tangiers meeting, "expressed the hope" that any new multilateral machinery which might be created to administer economic assistance to Africa would consult and collaborate closely with the Economic Commission for Africa. The sponsors of the resolution (Ethiopia, Ghana, Guinea, Liberia, Morocco, Tanganyika, and Tunisia) would not say exactly what they had in mind. But it was not hard to guess, nor to obtain unofficial confirmation of their motive: If Europe and North America were going to form a cartel, outside the United Nations, to deal en bloc with African countries concerning economic and technical assistance, then those countries wanted their own collective bargaining unit, to avoid being played off one against the other.

"Independence and Unity" was the slogan at Tunis. The statistics and technical discussions at Tangiers made it clear why Africa cannot have one without the other.

The thesis that arms are an economic burden is an exaggerated one. They may in the short term deflect from economically desirable things such as exports; but in the long run they are technologically the most effective engine that a free society has found. If we are now to move into a period of disarmament then we are moving into one in which the system of the Soviet Union places it at a technological advantage. A substitute for the technological role played in a free society by armaments has to be found.

—*Hon. Aubrey Jones, M.P., Sunday Times, London, Jan.* 24, 1960.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE REVISION OF CHINESE STATISTICS

BY CHARLES BETTELHEIM

The drastic revision of the 1958 Chinese crop estimates which were announced in August, 1959, demand a reappraisal of the significance both of the old and new statistics and a re-evaluation of the conclusions on Chinese development which were based on the earlier statistics.

The question whether statistics are propagandist or not is a relatively old one. It is one with which a number of economists were concerned as far back as 30 years ago, at the time of the first Five Year Plan in Russia. At that time, many Western economists referred to the statistics showing the rapid progress in Soviet output of steel, coal, machinery, etc., as "propaganda documents." They claimed that there must have been other secret statistics for the use of the "planners" showing the real, far less rapid, progress in production. Since then, history has revealed that the Soviet progress was real and that the statistics published were in strict accord with those used by the Gosplan.

Actually, the difficulties which a country would meet and the contradictions into which it would fall if it systematically published false or exaggerated statistics are such that it is impossible to imagine any government deliberately choosing such a line of action. In an economy committed to precise and detailed planning, in which statistics are not intended merely for study but constitute the instruments of action for tens of thousands of individuals, the invention of "propagandist statistics" is virtually impossible.

This does not mean, however, that all statistics in a planned economy such as the Chinese or the Russian are correct. It is obvious that in these countries, as in others, there may be incorrect statistics, although the chances of correcting such errors later on will be greater, thanks to the necessity of official checks. Furthermore,

---

This article is a sequel to "China's Economic Growth" which appeared in MR, March, 1959. *Professor Bettelheim teaches at the Ecole Pratique des Hautes Etudes, the Sorbonne, and is an expert on the economic problems of underdeveloped countries.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

when statistics have been used for the working out of a future plan, their correction necessarily entails a revision of the plan as well. This is exactly what happened with the 1958 Chinese agricultural statistics.

There is thus no reason to suppose that these were "propagandist statistics." If such had been the case, it would have been absurd to contradict them a few months after their publication and thus be placed in the position of having to revise a plan which had been worked out on the basis of these statistics.

On the other hand, the extent of these errors raises three particularly important questions: (a) How could errors of such magnitude have been committed? (b) What remains, once these errors have been corrected, of the "big leap forward" of 1958? (c) What is the outlook for the future?

Let us, first, measure the extent of some of the errors: the grain output had been estimated at 375 million tons, while the revised figure is 250 million tons (a third less than the first figure); the cotton output had been estimated at 3.3 million tons, the revised figure is 2.1 (36 percent less than the first); and as for the total agricultural output, it had been estimated at 88 thousand million yuans while the revised figure is 67.1 thousand million (24 percent less than the first figure).

How can errors of such magnitude have been committed?

The Prime Minister, Chou En-lai, seems to have given the answer to this question in his report made on August 26, 1959, to the Permanent Commission of the Second National People's Congress (*Peking Review,* September 1, 1959).

According to this report, the figures regarding output of crops announced at the end of 1958 had been reckoned from the standing crop by the classical method of assessing the yield per unit of area and then multiplying these yields by the areas under cultivation, region by region. Clearly, since this method did not take the special conditions of 1958 into account, it led to large overestimates. These overestimates were the result, primarily, of two factors.

(1) The year 1958 was characterized by especially large variations in yield per unit of area within the regions. In fact, 1958 was a year of large-scale experimentation in new methods of extra-intensive cultivation and it was therefore inevitable that fields with similar natural conditions yielded outputs which differed widely according to the intensity of the work and the skill of the workers. This being so, it is probable that a sample survey on a much wider scale of a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

much larger number of fields would have been necessary to keep the risks of error within reasonable limits. And since it is possible that the sample survey may not have been conducted strictly at random, and that in many cases the investigators were likely to have chosen as "sample" plots those with very high yields, we see how this may also have contributed to the overestimation of the harvest.

(2) Although we have no detailed information on the statistical methods employed in China, available indications suggest that net output is obtained by assessing the standing crop and then deducting from this the "normal wastage"—that is to say, the inevitable wastage connected with the reaping, threshing, transport, and storage of crops. When the harvest is normal, these deductions usually correspond more or less to the real wastage. But this is no longer the case when there is a bumper crop. Even according to the revised statistics, the 1958 output was exceptionally high, the net output of food grains having been 35 percent higher than in 1957 and the increase in standing crop even greater. As a result, greater wastage than usual was inevitable even with good harvesting arrangements.

Clearly, it was impossible to organize so quickly suitable methods for threshing and reaping such an unexpectedly large crop, and at each stage of the harvest unusually high losses occurred. It is possible that part of the harvest simply could not be reaped in time, and certainly the inadequacy of transport and storage caused high wastage. Under these conditions, the method of calculating "normal wastage" proved seriously at fault.

Assessment of the net harvest from the standing crop caused particularly serious errors for two other reasons: (a) Whereas the standing crop was especially large and would have required, in order to be gathered in with a minimum of wastage, something like a total mobilization of rural labor, a large part of that labor force had been absorbed into nonagricultural work, either because it had left for the cities or because in 1958 a particularly strong effort had been made to industrialize the countryside. Thus less labor was available than before for reaping, threshing, transporting, storing, etc., a far larger crop. The wastage resulting from this situation had not and could not have been foreseen by the statisticians. (b) Natural calamities in 1958 entailed greater wastage than initially foreseen.

An attentive reading of Chinese publications seems to indicate that these are the principal causes for the serious statistical errors referred to above.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

If this is the case, and if, as is highly probable, a lesson has been learned from this experience, there seems to be reason to believe that different methods of assessing harvests will be devised and that in the future agricultural statistics published at the end of a year will be sufficiently exact.

The Chinese government certainly does not want to be in the position, once again, of having to declare that it has published erroneous statistics. But the fact that it has once so declared proves that it has no desire to deceive the public with false figures (even when it has itself believed for a time that such figures were correct).

What remains of the "leap forward" after the revision of the Chinese statistics? According to certain commentators, nothing is left and the leap forward is really a leap backward. This is an absurd statement and merely reveals the inability of those who advance such views to distinguish between what they wish to be and what is.

Nevertheless, the facts are plain: although the increase in *agricultural* production recorded by China in 1958 is less than that previously announced, it is nevertheless without historical precedent. An overall increase of 25 percent in agricultural production, a 35 percent increase in grain output, a 28 percent larger cotton harvest can hardly be called anything but a "great leap forward" since these increases do not offset previous setbacks but rather have come after several years' rapid progress.

As for industrial development in 1958, the previously published figures have been confirmed and reveal a rate of growth still higher than for agriculture. The overall expansion of industry was 66 percent higher than in the previous year, the output of steel and coal was doubled; the output of pig iron was 2.3 times as much as in 1957; the output of locomotives, automobiles, lorries, cotton spinning frames, and paper-making machines was more than doubled over the previous year.

It is clearly correct, therefore, to speak of a "great leap forward" both in industry and in agriculture, and absurd to speak of a leap backward. We may nevertheless ask if the corrections of the 1958 agricultural statistics do not call for a re-evaluation of the outlook for the Chinese economy for 1959 and the years immediately following.

Such a re-evaluation is evidently necessary and should be of two kinds: an examination of the figures for the next few years and a study of the methods and techniques of production.

In the realm of figures, the revision of the 1959 plan, although

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

extremely severe, anticipates nevertheless large increases in production. The total value of industrial output is expected to reach 147 thousand million yuans in 1959, i.e., an increase of 25.6 percent instead of the 40 percent increase foreseen at the beginning of the year; and the total value of agricultural production is expected to reach 73.8 thousand million yuans, an increase of 10 percent in place of the 40 percent increase predicted at the beginning of the year. The revision, therefore, involves not only the absolute figure of the targets, but also the rate of growth. This is because the rhythm of development in 1958 had been overestimated in the agricultural sphere and a series of problems had not been appreciated in all their complexity. The outlook for Chinese economic development must now be considered from the point of view of production methods and techniques.

A year ago, on the basis of the then available information, one could still think that the use of low-productivity industrial technique would not lead to any early shortage of manpower. Late in 1958, it still seemed possible to think in terms of progressively modifying such low-productivity combinations in the direction of a rising output of labor. Actually, the problem of labor shortage began to be felt as early as 1958 despite all efforts to make available labor resources still heavily underemployed in 1957 (and composed chiefly of women). We have seen that the shortage of labor was one of the factors responsible for the high rate of crop wastage recorded in 1958.

This was, however, not the only factor, and its negative effect could certainly have been limited by better distribution of labor at the peak period of agricultural work in the autumn, but the fact remains that in the second half of 1958 the employment situation in China was such that simple low-productivity methods had to be replaced *immediately* and rapidly (and not just gradually) by more highly productive methods, and that it even became necessary to *suspend the work of the lowest productivity units* and effect a redistribution of the labor force among the different economic sectors.

The measures taken by the government since the beginning of 1959 are an answer to these needs, but they also entail a certain slackening in the rate of development compared with the estimates made at the end of 1958. The necessity of eliminating the production units and methods of lowest productivity is clearly stated by Chou En-lai in his above quoted report of August 26th, 1959.

It would appear that in the course of 1958, China in effect

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ceased to rely for its growth on unemployed labor reserves, and that, from that time on, any increase in production would have to depend almost exclusively on a rise in the productivity of labor. This leads us to raise two final questions: (1) Was the Chinese government justified in 1958 in resorting to production methods of low productivity on such a vast scale? (2) At what rate will Chinese production be able to go on expanding in the years beyond 1959?

For one who knows the Chinese economy only from "the outside" and is not in daily contact with its problems, both these questions are difficult to answer. Hence the answers which are tentatively submitted here only express an opinion based on incomplete information.

An answer to the first of the questions, moreover, presupposes not only full information concerning the economic situation in China, but also a criterion by which to judge whether the choice of certain techniques is justified. We know that on this last point widely differing opinions have been put forward by various economists. Since this is not the place to discuss their arguments, I shall confine myself to a statement of my own point of view, which can be summed up as follows: The question whether the application of a certain technique is economically justified or not cannot be answered by considering the salient features of this technique in isolation from other factors, but only by an assessment of the effect which the application of this technique will have on overall economic development over a long period. Therefore one cannot say that one technique is better than another, merely that a certain combination of techniques over all the branches of the economy ensures faster growth in the long run than another combination. It follows that only an assessment on a social scale and covering a long period will permit an answer to the question whether the application of a certain technique is justified.

Such an overall criterion is quite different from the criterion of reducing to a minimum the production costs in each field considered in isolation, as well as from the criterion of assessing the maximum capacity of each production unit. But even if such an overall criterion were applied to the choice of techniques it would still be impossible to know whether the application of low-productivity techniques in China in 1958 was justified without exact data on the principal combinations of techniques and investments feasible at the time. These I do not possess. For want of this detailed information, all one

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

can do is to attempt an assessment in the light of discussion of this very problem which has taken place in China itself.

We find in fact that the favorable view taken by the Chinese government of this fairly large-scale application of low-productivity techniques in 1958 gave rise to various criticisms. It is remarkable that these criticisms all appear to be based on partial criteria in the matter of the choice of techniques. Low-productivity techniques are blamed for high cost-prices and for failure in some cases even to cover costs. In view of what I have said above, it will be appreciated that such criticisms are in no way decisive.

On the other hand, it is important to note that the rulers of China react to these criticisms in a way which I consider pertinent, namely, by revising the application of the different methods in their social context and examining the effect which this application has on the long-term overall expansion of the economy; this appears to me the only ground on which a problem of this kind can profitably be analyzed. At this point it is necessary to cite another passage from Chou En-lai's speech of August 26, 1959.

The Chinese Premier points out that by the end of the summer of 1959 the aggregate volume of small blast furnaces (between 6.5 and 100 cubic meters each) in operation at the time was 43,000 cubic meters as against 24,000 cubic meters for the large blast furnaces, and explains that these small blast furnaces would be able to produce 10 million tons of pig iron by the end of 1959, more than 15 million tons by 1963, and about 55 million tons in the whole Second Five-Year Plan period. He then goes on to say:

> It is fully worth our while, and, indeed, very important for us to allocate a certain amount of subsidies for the operation of small blast furnaces in these five years. Owing to limitations imposed by existing conditions, if, with the same or even larger investments, we build only big blast furnaces, we could not possibly produce so much pig-iron in such a short period as five years. The history of industrial development in all countries shows that given iron and steel, machinery can be made, and given iron, steel, and machinery, it is possible to achieve a rapid development of industry as a whole and of the entire national economy.

It seems in fact indisputable that, as long as low-productivity techniques are used for the production of capital goods, the available quantity of which is a decisive factor in the rate of overall economic

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

expansion, and as long as it is in effect not possible to achieve the same results in the same amount of time by more highly productive techniques, the use of low-productivity techniques is fully justified from the point of view of the national economy. This being so, the fact remains that only concrete calculations based on experience permit a definition of the limits beyond which the use of such techniques ceases to be profitable.

It is evident that these limits are determined by various factors such as labor shortage which might hit a certain important sector of the economy, or the surplus available for future investments (a surplus that tends to diminish with a rising number of low-productivity production units or units requiring subsidies). The rise in investments will in turn determine the subsequent rate of economic expansion. Since the effect of these different factors varies from time to time, it will be seen that what may be justified at a given moment will cease to be so some time later, and that in practice it is not easy to adopt the best possible solution or even one that is really close to the best. However, what matters is to know what kind of solution is likely to be the best, and to endeavor to get as close to it as possible.

To return to the choice of techniques made in China in 1958, it seems to me that basically the choice was justified, which does not mean that mistakes in execution were not made, partly through overenthusiasm for certain techniques, partly through a tendency to underestimate the imminent severity of certain problems (chiefly the problem of labor shortage). It is, however, essential to distinguish between mistakes in execution which can be rectified, and the overall orientation of economic policy which in my opinion was fundamentally sound.

Discussion is now going on in China as to the prospects of expansion in the coming years. The prevailing opinion is that the rates of growth will—on the whole and for several more years—remain higher than those of the first Five Year Plan.

If we examine the achievements of the first half of 1959, which show an increase of more than 100 percent and in some cases more than 200 percent over the first half of 1958 in important spheres of production like steel, coal, and mechanical industries, this opinion seems borne out by facts.

Similarly, considering the sum total of investments which had to be made in 1959 and which amounted to 24.8 thousand million yuan (i.e., more than twice the average annual investment made

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

during the first Five Year Plan), there seems to be some justification for thinking that the rate of growth of the Chinese economy will not be inferior compared with the period 1952-1957, although it is likely to remain lower than the exceptional rate of the year 1958.

At the same time it is evident that in view of the problem of a shortage of labor, new and difficult problems are bound to arise, and that henceforth the greatest attention will have to be paid to technical advances and innovations, for the chief source of an increase in production can at this stage only be an increase in the productivity of labor. The immediate possibilities existing in this field are considerable in a country like China as soon as it is engaged in effecting large-scale investments, which is the case now. One of the fields in which such possibilities can be exploited fairly rapidly appears to be agriculture. This explains the enhanced effort which is developing at the moment towards the mechanization of agriculture. As a result a new and profound transformation of the Chinese countryside must be expected, and new resources of labor will be freed within the next few years for rapid industrialization.

To sum up, then: in spite of the quantitatively considerable revision of the production figures for agriculture in 1958 and of the plan figures for 1959, this revision does not entail a different qualitative assessment of the economic evolution of China.

Compared with all the experiences of other countries, the year 1958 remains the year of the great leap forward, and the prospects of expansion for the next few years are still at an exceptionally high level.

In my view, one of the chief lessons to be drawn from the experience of 1958 concerns the relative suddenness with which the growth potential represented by rural underemployment in underdeveloped countries can be exhausted. The highest priority must therefore be given to a correct solution of the problems raised by the demands of technical progress and of the increase in the productivity of labor.

One thing that ought not to be overlooked in any discussion of government ownership is that it is not a sufficient answer to say that it will not work perfectly or will lead to certain evils, for this can be said of everything that is of human origin.

—*Joseph B. Eastman*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A NOTE ON FOSTER DULLES

BY THE EDITORS

Readers with long memories may recall that in our Review of the Month for June, 1959, discussing the retirement of John Foster Dulles, we referred to "a scheme of the early 1920s, of which Dulles was the principal author, to carve up Russia into a number of protectorates of the Western imperialist powers." Several people wrote asking for further particulars which we were unable to provide from the clippings which we had used as our source of information. Consultation of the standard sources—notably William A. Williams' authoritative work on *American-Russian Relations*—failed to produce any corroboration, and in the Notes from the Editors for October we retracted the statement, at the same time inviting any readers to send us any relevant information they might have. We have received a number of responses to this invitation. They all point to the same conclusion, namely, that the ultimate source of the idea that Dulles had authored a post-World War I imperialist scheme for Russia was to be found in certain passages in the *Congressional Record* for 1919, especially Volume 57, pages 1341-1344 and 1654-1661; and Volume 58, pages 1468-1474.

On the basis of these passages, the following would seem to be the relevant facts: On October 5, 1918, President Wilson allocated, from war funds under his control, the sum of $5 million to the War Trade Board (a wartime government economic agency) for operations in Russia. To carry on these operations, the WTB, acting through its members, established on November 6 (i.e. five days before the Armistice) a corporation entitled "War Trade Board of the United States Russian Bureau Inc." The Russian Bureau, as we may call it for short, was incorporated in the state of Connecticut; its capital was the aforementioned $5 million; and its stockholders were members of the WTB. The Russian Bureau was thus clearly a government corporation of a kind that had already become quite common in the period since the United States entered the war. John Foster Dulles, nephew of Secretary of State Lansing, was named as both Secretary and Treasurer of the Russian Bureau in its Certificate

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of Organization dated November 13, 1918. From this we can infer that it was intended that he should be the chief executive officer, and we can obviously assume that he participated in planning the organization and knew what its purposes were. Unfortunately, it tells us nothing about his share in authoring the scheme or what he hoped to make out of it. Aside from his name on the Certificate of Organization, there is no mention of Dulles in the pages of the *Congressional Record* referred to.

What were the purposes of the Russian Bureau? Here there are two bits of evidence: (1) the statement of purposes in the articles of incorporation, and (2) what various Congressmen and Senators said about it on the floor of the House and Senate.

The statement of purposes is of an omnibus kind familiar in modern corporate charters. It permits the corporation to own all kinds of property and to carry on almost any business under the sun—outside the state of Connecticut. Read into the *Congressional Record* by an opposition Congressman, this statement of purposes was flaunted as "evidence" that the Wilson administration was using the taxpayers' money for all kinds of visionary global schemes. But it tells us nothing about what the Russian Bureau was really supposed to do.

For this we must rely primarily on a speech by Senator Hitchcock on January 18, 1919. According to him, the Russian Bureau "was planned for a peaceful penetration of Russia, having for its purpose the bringing to the Russian people the commodities they needed and were in dire distress for lack of. . . . [It] was planned under the instruction of the President, a commercial penetration of Russia. . . . The purpose was by this friendly penetration, by the sending of American products into Russia in exchange for them, to promote trade and create a prosperity that could not come about from natural causes." This sounds perfectly authentic and is entirely in accord with the classic Open Door policy which Wilson and others had already proclaimed to be American policy vis-à-vis Siberia.

It seems that nothing came of the Russian Bureau. When the matter was again brought up—this time in the House on June 20, 1919—administration spokesmen answered criticism by pointing out that almost none of the original sum allocated to the Russian Bureau had been spent by it, and that the money had subsequently been transferred to the State Department for use in repairing and maintaining the Trans-Siberian Railway.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

No doubt further research—e.g., in the records of and literature about the War Trade Board—would yield additional information about the Russian Bureau, John Foster Dulles' role in it, and the reasons for its demise. But in the light of the above there is no reason to suppose that it would provide any support for the notion that Dulles sponsored a project for carving up Russia among the Western powers. So far as we can judge, whatever Dulles did in this affair was in line with traditional Open Door policy which could have been, and in this case probably was, aimed at establishing a more or less exclusive American sphere of influence, certainly not at dividing Russia (or Siberia) between the United States and the other Allied powers.

MY TRIP AROUND THE WORLD

In this new pamphlet CORLISS LAMONT presents a Humanist philosopher's refreshingly unorthodox impressions of the British Labor Party . . . English college gardens . . . Art treasures of Florence and Athens . . . Soviet postwar recovery . . . Tea-time at a Soviet collective farm . . . Cow worship in India . . . Poverty and India's Five-Year Plans . . . Hiroshima: After-effects of the A-bomb . . . World peace and human brotherhood.

Other Basic Pamphlets by Corliss Lamont

THE RIGHT TO TRAVEL

TO END NUCLEAR BOMB TESTS
(with Margaret Lamont)

A PEACE PROGRAM FOR THE U.S.A.

Single copy 10¢; 7 copies 50¢; 15, $1.00; 50 or more, 40% discount

BASIC PAMPHLETS, Dept. M. Box 42, Cathedral Station
New York 25, N. Y.

(ADVERTISEMENT)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

WORLD EVENTS

By Scott Nearing

Straws in the Wind

Auto output in 1959 was rather evenly divided between the United States (5.5 million cars) and Western Europe (4 million cars).

Trends are significant. In 1949 the United States had 84 percent of world auto output, Western Europe 13 percent. In 1959 the United States was down to 56 percent, Western Europe up to 41 percent. If this trend continues three more years, through 1962, Western Europe's share will be larger than that of the United States. (Figures are from *U.S. News & World Report,* Jan. 11, 1960.)

This is one more phase in the economic battle of the capitalist "giants" to grab and keep markets. An arms race proceeds side by side with the economic competition. Sooner or later, as in 1914 and 1939, the export-or-die nations once again will start shooting.

The Tiny United States Minority

Present population growth in the world is expected to produce by 1970:

800 million Chinese
500 million Indians
250 million Russians
200 million United States citizens.

Will the United States, with its one-sixteenth of the human family, be able to maintain its relative predominance in wealth, income and military hardware; or will the majority of mankind, who are living in the planetary heartland and who are building a planned, scientifically organized society, gain and hold the balance of power?

Germany and World War III

The *Los Angeles Times* European Bureau issued a call on January 18 which might get a responsive answer from the throng of former Nazis who are heading up the drive for speedy rearmament of West Germany.

Waldo Drake wrote from Paris on January 18 that the 360,000-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

man Bundeswehr "is the dominant European force in NATO's 'shield'." If this shield is to be really effective, says Mr. Drake, the Bundeswehr must be converted speedily into a "nuclear weaponed force" that can "attack all strategic targets west of the Urals." He then proceeds:

> One difficult obstacle must be overcome. Germany's six fellow members of the comatose European [defense] Union (Britain, France, Italy, Benelux) must be induced to remove restrictions on the Bundeswehr's weapons, its tactical organization and its size. West Germany's expanding 53,000,000 citizens have both the expending resources and the determination to defend themselves. . . Much time and tremendous treasure could be saved if the United States assists West Germany in immediate development of a nuclear deterrent which . . . would offer greatest likelihood of destroying the Soviet ability to fight.

Shades of 1939!

Here are almost the same phrases and the identical objectives which led to the holocaust of 1939-1945. Are we moving once more from cold war to hot war? Are we providing Germany with the wherewithal? Will Germany again consent to pull the chestnuts out of the fire and this time be vaporized in the process?

Private Enterprise?

London and Amsterdam breathed a sigh of relief in January, 1960, when it was announced that the Soviet Union had contracted to market its export diamonds through the De Beers Consolidated Mines, which controls the sale of about 95 percent of the gem and industrial diamonds produced in the West. By regulating the flow of diamonds and fixing prices, it provides a stable world market for this commodity. Had the Soviet export authorities decided to compete with De Beers, a price war might have disrupted the diamond market. The agreement assures a continuation of the near-monopoly.

Every monopoly hopes to reach a position from which it can fix prices and stabilize the market. Royal Dutch Shell and Standard Oil, General Motors and United States Steel, either directly or through pricing and marketing agreements, aim to raise their own profits at the same time that they freeze out independents, exploit labor, and fleece consumers.

Private enterprise paid off in the early stages of capitalist evolution. It worked on the frontier. But as an economy matures and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

stabilizes itself, private enterprise is pushed aside by syndicates, trusts, and consolidations. In the later phases of capitalist maturity and decline, private enterprise is about as unimportant as a kerosene lamp in the territory served by the Tennessee Valley Authority.

A Simple Example of Inflation

Wall Street Journal editors are battling against the Keynesian inflationists who argue that debt doesn't matter because "we owe it to ourselves." The editors write that all inflation begins with too many dollars or other money units chasing goods and pushing up their price. "Governments create the extra dollars, marks and francs . . . by spending more than they take in . . . or by simply turning the crank of the printing press." The two methods are often connected. "When inflation really takes over, the speed is frightening." (*Wall Street Journal,* Feb. 2.)

By way of illustration, the editors refer to two letters. One was mailed in Germany on May 23, 1923. The stamps on it cost 550 marks. The other, mailed six months later, carried stamps which cost 220 billion marks.

One More Link

Japanese students did their best to prevent Prime Minister Kishi from going to Washington and signing a treaty which permits United States armed forces to remain indefinitely on Japanese soil. Article VI of the treaty reads:

> For the purpose of contributing to the security of Japan and the maintenance of international peace and security in the Far East, the United States of America is granted the use by its land, air and naval forces, of facilities and areas in Japan.
>
> The use of these facilities and areas as well as the status of United States armed forces in Japan shall be governed by a separate agreement, replacing the administrative agreement under Article III of the Security Treaty between the United States of America and Japan, signed at Tokyo on February 28, 1952, as amended, and by such other arrangements as may be agreed upon.

Under this article, United States forces may remain indefinitely in occupation of Japanese territory so long as the Japanese Government agrees. It was against such an agreement that Japanese demonstrations were directed.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Step by step, Washington has extended its peacetime military occupation across the Pacific islands, to the island chain girdling the Asian mainland, and to the mainland itself in South Korea.

Who Said Aggression?

"Just bear this in mind: Russian aircraft carriers aren't lying off the U.S. coasts, nuclear-armed. U.S. carriers, however, are off Russia's coast. And: Russia doesn't have 2,000 nuclear-armed aircraft poised on U.S. borders. Yet U.S. has on Russia's. Also: Russian troops aren't on the Mexican or the Canadian borders of U.S. Troops of U.S., however, happen to be on the borders of Russia's empire. Missiles? Russia needs 6,000-mile missiles to cover U.S., and has few. U.S. needs only medium-range missiles to cover Russia, and has many, plus about as many long-range missiles as Russia possesses. In addition: U.S. has the world's only real strategic air force, with very latest in nuclear weapons. That force alone is a dominant power."

This quotation is not Russian, taken from *Pravda,* but American, taken from *U.S. News & World Report,* February 8, 1960, p. 26.

Grand Strategy

United States Big Business backs several agencies which specialize in research and other work looking toward the formulation of public policy. One of the foremost of these agencies is the Committee for Economic Development (CED).

CED trustees met recently to discuss the question: "Is the economy of the Western world splitting apart?" Proceedings at the meeting are described in the *Saturday Review* for January 16. Sir Oliver Franks, chairman of Lloyds Bank (England), in the keynote address, stressed six points: (1) Western Europe, which has recovered from the 1939-1945 war, has moved into a different sort of world. (2) No longer is there a question whether the balance of world power will tip in favor of East or West. It has tipped toward the West. (3) Having gained a superior position in the West-East struggle, our next problem is to control the direction taken by two dozen nations which have won their independence since 1946. Success in this contest will consist in linking the industrial nations of the North with the developing nations of the South. (4) Firm unity is necessary to success: not only the political unity of NATO, but a firm economic unity, first among the industrial nations of Western and Central Europe, and then among all "free" northern nations. (5) OEEC

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(the Organization for European Economic Cooperation), must be replaced by a new organization in which the United States and Canada are added. (6) With this organization directing economic policy, the balance of political and economic world power will remain with the West and the newly developing countries can be drawn into the Western sphere.

We have rephrased Sir Oliver's presentation somewhat, and perhaps oversimplified it. We have done this in an effort to clarify a program which he has left vague for diplomatic reasons. If we may put his proposal into a sentence: We are strong enough, in 1960, to unify the capitalist segments of the world, draw the former colonial peoples into the Western orbit, bypass the United Nations, and push the cold war to a triumphant economic and political conclusion.

We are not arguing with CED's spokesmen. We are merely trying to present their program simply and directly so that people in all walks of life will understand what Big Business, the big brass, the wily politicos, and the brainwashers of the West are planning to put across in the immediate future.

Deserts on the March

Geographers and historians have noted that ruins of ancient civilizations (especially in sub-tropical areas) frequently are located in deserts, such as the Sahara, the Arabian, and the Gobi. "Climatic changes" is an easy but not a convincing explanation of this phenomenon.

Some years ago Professor Paul Sears turned from the "climatic change" theory to the proposition that deserts are man-made. He traced five stages: (1) deforestation, with the loss of the large amounts of moisture that trees transpire and with the exposure of the forest floor to the moisture-absorbing rays of the sun; (2) burning over cleared land to destroy slash and rubbish; (3) close grazing, especially by goats and camels, preventing forest reproduction and weakening the sod; (4) open cultivation, removing the root systems of trees and plants and thus destroying the chief binder holding the soil in place; (5) the movement of hot sand onto weakened vegetation, while wind, sun, and frost erosion break up rocks and add to the sand supply. Under the pressure of this sequence, deserts march.

Confirmation of the Sears hypothesis is presented in *Sahara Challenge,* published in 1960 by Wellington Books of Belmont, Massa-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

chusetts. The author, Richard St. Barbe Baker, after years of experience in the forestry services in Kenya and Nigeria, led an expedition across the Sahara from Algeria, on the shore of the Mediterranean through French West Africa, Nigeria, French Equatorial Africa, the Belgian Congo, Uganda, and Kenya. The journey was made in a specially equipped four-wheel drive car, most of it through the Sahara Desert which now covers over three million square miles, a territory about the size of the United States.

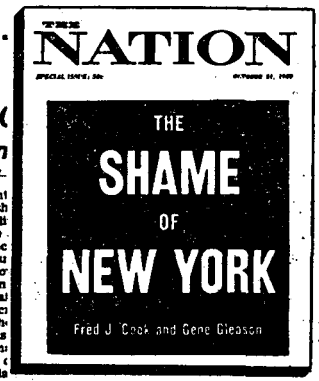
St. Barbe Baker's thesis is that "the vast Sahara desert was once covered with rich sub-tropical forest." Carthaginians and Romans supposedly grew grain and grazed animals on land which now forms part of the Sahara. There was water, shade, and shelter for domestic and wild animals. There are records of large cultivated Sahara tracts "only a few hundred years ago." "In the heart of the Sahara, within living memory, the last forest had been cut down." Nomads and migrants "cleared the trees, even removing the stumps and roots for charcoal."

Essentially the same sequence that Sears had noted elsewhere was operating in the Sahara. Deforesting, burning, overgrazing, the disappearance of roots and humus, the drying out and erosion of the top-soil, dust storms, and sand drift had done their deadly work. "For the greater part, the Sahara Desert was man-made." "Here we were standing on land where the humus which had accumulated over thousands of years had been destroyed in a single season." "It was hard to believe that when Livingston was exploring Nyasaland this area was part of the great rain forests of Nigeria. . . . I was to trudge through sand wastes which had been my forest haunts when I had been in Africa thirty years ago." Like other deserts, the Sahara was on the march. St. Barbe Baker was able to chart its course and measure the speed of its advance into parts of Central Africa which are now being deforested and devastated.

Desert advance can be checked. The author outlines a program for the rehabilitation of the Sahara—"a formidable undertaking," but "large-scale afforestation of desert has already been achieved and vaster plans are even now in the process of fulfilment over enormous areas of desert." After a reference to the shelter-belt program started by President Roosevelt in 1934, the author notes the success of Soviet and Chinese efforts to check desert advance and convert the deserts themselves into arable, productive areas.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Everything that's happened since this issue appeared confirms its authenticity and makes it more timely than ever...



Mrs. Roosevelt Calls (Sufficient to Discon

Mrs. Franklin D. Roosevelt told 1,000 women yesterday that she thought there was enough proof in the recent magazine article "The Shame of New York" to make "many of us uncomfortable."

The article, which took up the entire Oct. 31 issue of The Nation, gave instances of alleged corruption and collusion in city government.

Mrs. Roosevelt said that "many have hoped that subse-

armament membersh takes a li a change She indic who shou in this co admission

She sa not subsc Khrusheh world dis

Disarm may not she decla she thought, there would "mechanical ways of know whether people are keep

'Shame of N. Y.' Still Valid, Isaacs Tells Local ADA

Stanley M. Isaacs, the only Re publican on the City Council, las week defended the authors of "Th Shame of New York" at a meet ing of the Greenwich Villag branch of the Americans for Dem ocratic Action.

The article comprised the spe cial October 31 issue of the Na tion magazine, and led to event which caused its authors, Fred J. Coc ther Wo

C Coo "on of t the pare the cond

INQUIRY BY STATE INTO CITY AFFAIRS WILL BEGIN TODAY

Jury Hears Jack 3d Time Today

A grand jury peeping into the "house" that built today was to hear testimony for the from Manhattan Borough

He is to appear

Chief Inspector Out In Butcher Scandal

Weights Official, 40 Years on Job, Suspended After Probe Report

Robert A. Poteete no longer wanted in the city service—on information given by the Commissioner of

City Declares War On 8 Milli Rats

By WOOD
World-Telegram

The Health Department, in an unprecedented move, has thrown 1000 men into the big gest rat hunt in recent dec ades.

The objective: To rid New York City of eight million rat In this gigantic effort to cu quer the dreaded rodent

Morals Squad in Brooklyn Split In Test Crackdown on Gambling

By EMANUEL PERLMUTTER

The 200-man

THE NATION, 333 Sixth Avenue, New York 14, N. Y.

Please send me copies of the special issue, "The Shame of New York," as indicated below. I enclose payment in the sum of $.....

- ☐ 1 copy for 50c
- ☐ 10 copies for $4.00
- ☐ 50 copies for $17.50
- ☐ 100 copies for $30.00
- ☐ 500 copies for $125.00
- ☐ 1,000 copies for $200.00

NAME _____

ADDRESS _____

CITY _____ ZONE _____ STATE _____

ME

(ADVERTISEMENT)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(*continued from inside front cover*)

you a book as a special issue is also quite new. The whole project is, of course, experimental, but we are quite excited about it and think it has interesting possibilities. If it works out as we hope, we shall probably repeat the experiment in connection with other problems which need a treatment that is both journalistic and scholarly but which are too big for the usual article or editorial.

We have been assured of the fullest cooperation of the Cuban authorities. As of the time of writing at mid-February our plans are to leave for Havana during the first week of March.

The first printing of *American Labor in Midpassage*, edited by Bert Cochran and published last year by MR Press, has been sold out. We are reprinting in two editions: hard-cover edition, $3.50 (as before); and paperback edition ($1.25). This becomes the fourth paperback to be issued under the MRP imprint—the others, in order of publication, being (1) *Man's Worldly Goods* by Huberman ($1.50), (2) *China Shakes the World Again* by Bettelheim and others ($1.00), and (3) *American Radicals* edited by Goldberg ($1.25).

Three additional MRP titles—*The Wall Between* by Braden, *World Without War* by Bernal, and *The Political Economy of Growth* by Baran—have been issued as paperbacks ($1.25 each) by the Prometheus Book Club, 100 West 23rd Street, New York 11. In ordering these Prometheus paperbacks, please write direct to the Club, not to us.

Many readers will recall that several years ago we published a pamphlet by Barrows Dunham entitled *Thinkers and Treasurers*. Sales exceeded expectations and before long the pamphlet was out of print. Now, for a second printing, Professor Dunham has written a delightful new introduction and epilogue, and has added notes on sources. The new edition of *Thinkers and Treasurers*, as well as the Baran pamphlet (on Marxism and Psychoanalysis, announced last month) will be sent free to MR Associates as soon as they come off the press early in May. To all others, the price is $1 for the two, or 50¢ for either one. Orders are now being accepted—delivery in May.

Paul Sweezy will be teaching at Cornell again during the 1960 summer session (June 27-August 6), offering courses in business cycles and American economic history.

Bernhard Stern, who was the guiding spirit of *Science & Society* from the time of its founding until his death several years ago, was not only a fellow editor and friend with whom we always maintained the most cordial relations; he was also a first-rate sociologist whose work, because it was written from the Marxist standpoint, has never received the attention it deserves. We are glad to call the attention of MR readers to the publication of an excellent selection of his papers under the title *Historical Sociology* (Citadel Press, 222 Fourth Ave., N.Y. 3, N.Y., $5). Publication of this volume should make a real contribution to establishing Bernhard Stern's stature as an important American sociologist.

From a Canadian university community comes this month's letter of the month: "MR has been tremendously stimulating to us. It has carried our thinking farther than we would be able to go alone—helping us to resolve some puzzlers and then making new ones pop up. And that's the way things should be."

If that's the way things are for you too, won't you make an extra effort to see that your friends and acquaintances know about MR and its stimulating properties—or, better still, send them gift subs at only $3 apiece?

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

SOVIET HIGHLIGHTS

A Survey of Soviet Thought and Development

Translations of Significant Articles from Soviet Publications

Contents (No. 2, 1960)

Literature

Mark Twain—An International Discussion:
Mark Twain on the Bed of Procrustes by *Yan Bereznitsky*
Reply by *Charles Neider*
The Question is Significantly More Profound by *Yan Bereznitsky* (Literaturnaya Gazeta)
Realism in Fantasy by *A. Sinyavsky*
(An article on science fiction from Literaturnaya Gazeta)

City and Regional Planning

Urban Living Conditions by *G. Gradov* (Izvestia)
For Beautiful and Convenient Cities by *V. Terekhin, G. Kravtsav* and *V. Zaretsky* (Sovetskaya Rossiya)

Education

No "Manufacturing" of Child Prodigies! by *V. Panov*
(On training young chess players—Izvestia)

Science and Technology

Exploring the Moon With Rockets by *Professor G. V. Petrovich* (Bulletin of the USSR Academy of Sciences)
The Icebreaker Lenin by *A. Stefanovich* (Pravda)
Automation in Steelmaking by *V. Pospelov* (Komsomolskaya Pravda)
An Electronic Typesetter (Izvestia)

Sports

Centimeters, Records and Longevity by *A. Yakovlev* and *Y. Rubin* (Izvestia)

International Relations

Things We Can Discuss, Things We Can Learn From Each Other by *V. Yemelyanov* (Pravda)
An Exchange of Letters Between Roswell Garst and Nikita S. Khrushchev (all Soviet papers)

$6.00 per year (12 issues); 50¢ per copy (prepaid)

INTERNATIONAL ARTS AND SCIENCES PRESS
33 West 42nd Street, New York 36, N. Y.

(ADVERTISEMENT)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED